

**CONFIDENTIAL**

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29 NOV 1962

Honorable Elmer B. Staats  
Deputy Director  
Bureau of the Budget  
Washington 25, D. C.

Dear Mr. Staats:

I have your memorandum of 26 November 1962 concerning the proposed National Security Action Memorandum which would establish the general organizational mechanism for continuing the development of a National Communications System (NCS).

As you are aware, the Central Intelligence Agency has in being a world-wide system which is keyed to meet the rapid, reliable and secure communications requirements of national intelligence collection. In addition, this system fully meets unique Agency needs encountered in the conduct of clandestine operations. Of particular importance to this Agency is the privacy of communications afforded in the present system which permits the Director of Central Intelligence to discharge his statutory responsibility for the protection of intelligence sources and methods from unauthorized disclosures as provided in Section 102 (d)(3) of the National Security Act of 1947, as amended.

I concur in principle in the desirability of establishing the proposed organizational mechanism and in the concept and objectives of the proposed NCS with the proviso that the NCS enhance, not degrade, the communications capability currently available to this Agency and not impair the security of the communication system. I believe that the CIA can contribute to the national effort in this instance and it is my desire that representatives of this Agency participate in the development and management of the NCS.

In assessing this Agency's ability to contribute and participate, it should be recognized that a significant portion of Agency communications assets are utilized in direct support of clandestine operations and thus are not available for

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inclusion in the NCS. Also, it should be recognized that Agency participation in the program will result in an increase in personnel and fund requirements since the basic proposal involves an upgrading of communications services on a national level not solely related to the needs of CIA.

Sincerely,

(Signed) JOHN A. MCCONE

John A. McCone  
Director

CONCURRENCE:

Signed 28 NOV 1962

L. K. White  
Deputy Director (Support)

DD/CO   sbo

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Next 5 Page(s) In Document Exempt

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